

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 542 – SB 962

March 11, 2013

SUMMARY OF ORIGINAL BILL: Requires a pharmacist to counsel with any person seeking to purchase a Schedule II controlled substance as to the reasons for the purchase and authorizes the pharmacist to decline the sale if the pharmacist believes the sale is not for a legitimate medical purpose. Creates a Class A misdemeanor offense for the owner or operator of any pharmacy who knowingly restricts or interferes with a pharmacist's duty to fulfill such requirement and authorization. Authorizes a pharmacy or pharmacist to collect any state or local sales tax due on prescription diabetic supplies sold; otherwise, requires the pharmacy benefits manager to collect and remit such sales tax as part of the monies received as a patient's responsibility for a co-payment or co-insurance.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Net Impact – \$1,561,000

Increase Local Revenue – \$637,000

SUMMARY OF AMENDMENT (004376): Deletes all language after the enacting clause. Requires a pharmacist to make every reasonable effort to prevent the abuse of drugs which the pharmacist dispenses. Authorizes the pharmacist to decline the dispensing of a legend drug to a patient, which in the pharmacist's professional judgment lacks a therapeutic value for the patient, or which is not for a legitimate medical purpose. Requires a pharmacy owner, manager, or operator to respect the professional judgment of the pharmacist in holding the health and safety of a patient as their first consideration, and to protect the pharmacist from any penalty or fine when fulfilling their obligation to uphold the health and safety of a patient when declining to dispense any legend drug. Creates a Class A misdemeanor offense for the owner, manager, or operator of any pharmacy who knowingly restricts or interferes with a pharmacist's duty to fulfill such requirement and authorization.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

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Assumptions for the bill as amended:

- Any increase in investigations and disciplinary actions against pharmacists and pharmacy owners or operators who violate the requirements of this bill as amended will not result in a significant regulatory or fiscal impact and can be accommodated within existing budgetary resources of the Department of Health.
- There will not be a sufficient number of prosecutions for state or local governments to experience any significant increase in revenue or expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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